

**CHAPTER 13**  
**★ PERFORMANCE ASSESSMENT OFFICE**  
**DETAILED TASK INSTRUCTIONS**

**1. TASK - Audit Liaison.**

Introduction: Responsible for receiving all audit announcements from outside audit organizations such as AFAA, DoD(IG), and GAO; and keeping track of the status of the audits until the audit and any necessary management action has been completed. Most of the audits currently being performed by AFAA and DoD(IG) are of our financial statements required by the Chief Financial Officer's Act. Although the financial statements are prepared at the Denver Center, much of the audit work will be conducted at the OPLOCs where the original accounting transactions are generated.

**a. OPLOC:**

(1) Receive audit announcements. Maintain log of audit announcements for tracking and research purposes. Establish project file folder for each announced audit project. Keep copy of all tasking, correspondence, and reports related to each project.

(2) Identify functional areas/personnel involved and provide them copies of each announcement.

(3) Receive the notification of the initial audit visit on each audit and schedule inbriefing with the auditor and appropriate OPLOC associates. Make meeting room arrangements and advise all participants of the time and place. Attend inbriefing and keep track of attendees.

(4) ★The Performance Assessment Office will not generally be involved in the audits after the inbriefing. The auditors will deal directly with the functional areas being audited.

(5) Schedule audit exit briefings at the completion of the audits. The exit briefing will generally be requested by the auditors. Set up exit briefing room, time, and invite appropriate attendees. Attend exit briefing and keep track of attendees.

(6) ★Receive draft audit reports from the audit agencies or from the Denver Center Customer Service and Performance Assessment Directorate (DFAS-DE/PO). Identify the functional area within the OPLOC which has all or most of the function responsibility.

(7) ★Task functional area to prepare management comments to the draft report for OPLOC director's signature by a specific date in order to meet the response date for the draft report. If more than one functional area is involved, the area tasked should be

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advised to get appropriate input from the other areas. The tasking should request that the response be routed through the Performance Assessment Office for coordination.

(8) ★Coordinate on management comments to ensure that the suspense is met and the comments address the audit issues.

(9) Receive and distribute copies of final audit reports to the functional areas audited.

(10) ★Follow-up on management actions until completed and respond to audit agency or higher headquarters' questions concerning status. A copy of the tracking report will be forwarded to DFAS-DE/PO.

(11) Any system problems identified during the audit or included in the draft report will be forwarded to DFAS-DE/ANI, DFAS-DE/PO, and DFAS-HQ (through DFAS-DE/PO).

**b. FSO:**

No action required.

**2. TASK - Special Investigations.**

★Introduction: Investigation referrals made to the OPLOC from the DoD Hotline will flow through DFAS-DE/PO. Other necessary special investigations may be directed by the OPLOC Director. All OPLOC investigations will be coordinated with DFAS-DE/PO.

**a. OPLOC:**

(1) ★Conduct any required DoD Hotline investigations referred by DFAS-DE/PO. Reporting guidelines are contained in DFAS Regulation 7050.1, Defense Hotline Program. The actual conduct of the investigation can be delegated to functional areas with OPLOC Director concurrence.

(2) Track the progress of the investigation to ensure that suspense dates are met.

(3) ★Prepare a transmittal memo for OPLOC Director signature to transmit the report of investigation to the DFAS-DE Deputy Director through DFAS-DE/PO.

(4) Conduct any other investigations, special studies or reviews directed by the OPLOC Director.

(5) ★Conduct any required DoD Hotline investigation referred directly to the OPLOC. Immediately advise the DFAS-DE/PO of any DoD Hotline items referred directly to the OPLOC.

**b. FSO:**

No action required.

**3. TASK - Quarterly Cash Accountability Verification.**

★Introduction: Treasury regulations require an independent quarterly cash accountability verification of each disbursing agent's cash and disbursing function. The OPLOC Performance Assessment Office is responsible to see that these reviews are conducted.

**a. OPLOC:**

(1) Conduct quarterly verification of cash and disbursing function in accordance with DFAS-DE/AN guidance and DoD 7000.14-R, Volume 5.

(2) Prepare report for OPLOC Director and Deputy Director for Finance.

(3) ★If sufficient qualified resources are not available within the Performance Assessment Office, the Performance Assessment Office will identify necessary resources and draft appointment letters for the OPLOC Director's signature and provide the necessary training.

**b. FSO:**

FSOs who are deputy disbursing officers or disbursing agents and maintain cash will be subject to an unannounced quarterly cash verification.

**4. TASK - Review of OPLOC Operations.**

Introduction: Both the Federal Managers' Financial Integrity Act (FMFIA) and the Operation Review Program (ORP) require ongoing valuations and reporting on OPLOC operations. To eliminate duplication and confusion, only one review plan, one set of review guides, one review summary format, and one detailed report format will be necessary for both programs.

★Assessable Units: DFAS-DE/PO is responsible for identifying standard assessable units for all Denver Center OPLOCs. Although these assessable units are reviewed yearly under the Operational Review Program, FMFIA requires that high and medium risk units be reported under the FMFIA Program as directed by DFAS-DE/PO. If

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the vulnerability assessment indicates a high risk, FMFIA reviews (which require additional analysis above and beyond an Operational Review) of the assessable unit must be conducted twice during the 5 year cycle. The FMFIA review need be done only once for medium risk assessable units.

★Review guides for all assessable units will be provided by DFAS-DE/PO. This includes FMFIA program guidance and Operational Review Program guidance.

**a. OPLOC:**

(1) ★Performance Assessment will validate the standard OPLOC assessable unit's configuration:

(a) Add any unique assessable units.

(b) ★Report the structure to DFAS-DE/PO.

(2) ★Performance assessment will task functional areas to conduct vulnerability assessments in accordance with guidance from DFAS-DE/PO.

(3) ★Performance Assessment will establish an annual written review plan as directed by DFAS-DE/PO. The plan will address all assessable units provided by the Denver Center.

(a) Submit proposed annual plan to the OPLOC Director for approval.

(b) ★Send the approved plan to DFAS-DE/PO.

(4) ★Performance Assessment will task organizationally independent associates who have had experience in the assessable units/functions to perform the embedded operational reviews and complete the review reports. These associates will review the DFAS Operational Review Regulation 7600.11-R and the OPLOC version of the DFAS-DE embedded ORP training package prior to beginning the review. Copies of both directives may be obtained from DFAS-DE/PO, commercial 303-676-7704 (DSN 926-7704).

Reviewers shall:

(a) ★Follow review guides provided by DFAS-DE/PO.

(b) ★Ensure that critical review guide steps and associated internal controls are being accomplished. Reviewers must verify this by testing the critical controls.

(c) Give the reviewed area advance notification in order to ensure availability of personnel and records.

(d) Hold entrance, interim (as necessary), and exit conferences. At the exit conference, the manager should be provided a copy of either a report or the review guide and documents pertaining to exceptions.

(e) ★ Personally retrieve review documents from the files in order to avoid prescreening by the area being reviewed.

(f) Determine the cause of any findings and make appropriate recommendations.

(g) ★ Prepare working papers as the review is accomplished, not at the end of the review. They should be maintained as evidence of the work performed and support the report. Utilize the work paper documentation formats provided in Handout 16 of the DFAS-DE embedded ORP training package.

(h) ★ The reviewer will prepare the review summary and detailed reports. The report should be in accordance with the reporting format provided by the Denver Center Customer Service and Performance Directorate (DFAS-DE/PO).

(5) ★ Performance Assessment should coordinate on the reviewer's report before it is sent to the OPLOC Director for signature.

(6) ★ Performance Assessment will submit the following reports to DFAS-DE/PO):

(a) ★ Review Plan.

(b) ★ Risk assessments.

(c) Review summaries and detailed reports as directed.

(d) ★ Mid-year status report on open material weaknesses.

(e) ★ Quarterly status reports on reviews and findings.

(f) ★ Assessable unit validation.

(g) ★ Year-end Statement of Assurance.

(h) ★ Material weakness summary reports.

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(i) ★ Other reports as directed by DFAS-DE/PO.

(7) ★ Performance Assessment will track agreed to management actions until completed and ensure follow-up reviews are conducted as appropriate. A status report will be submitted to the DFAS-DE/PO.

(8) ★ Performance Assessment will review each report for significant issues which may need to be reported to the Denver Center as material weaknesses in accordance with guidance provided by DFAS-DE/PO.

(9) ★ Performance Assessment will review, validate, summarize, and analyze data provided through the Management Information System.

(10) ★ Performance Assessment will identify functional experts, upon request, to assist DFAS-DE/PO in performing independent reviews of other OPLOCs.

(11) ★ Performance Assessment will ensure that all Performance Assessment associates have read and understand the DFAS Operational Review Regulation 7600.11-R and the OPLOC version of the DFAS-DE embedded ORP training package. They will also ensure that all OPLOC associates have read Chapter 1 of DFAS 7600.11-R.

(12) ★ Performance Assessment will randomly review GLAs 200XX, 473XX, 500XX, 50099, 510XX, and 583XX to detect possible fraudulent payments in accordance with DFAS-DE Regulation 7420.1.

(13) ★ Performance Assessment will verify weekly that amounts reflected on SFs 5515 (Debit Vouchers), and SFs 215 (Deposit Tickets) are reported in Treasury's Cash Link System.

(14) ★ Performance Assessment will verify quarterly:

(a) That the Reject Delete Report Listing, PCN SH118VTO, is produced monthly and

(b) It is properly annotated with the reason for deleted transactions and

(c) It is filed as part of the work papers to the monthly Reparable Support Division (Fund Code 64) trial balance.

(15) ★ Performance Assessment will receive, verify, and certify daily the Integrated Paying and Collecting (IPC) system Audit File Report, Part I. They will also return the report to Disbursing for retention.

**b. FSO:**

No Action Required.